

[A]
LETTER
TO A
FRIEND.

In which is shewn,
The Inviolable Nature
OF
Publick Securities.

By a Lover of his Country.

L O N D O N :

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In which is shewn, the *Inviolable Na-
ture* of *PUBLICK SECURITIES*.

S I R,



OUR, Project of raising Money for this Years Service, or of paying Debts by *Taxing* or *Lowering the Interest of the Funds*, meets, I think, with too much Approbation amongst some People, who look no farther than *Themselves*, and consider only the *Present* Difficulty, regardless of the Consequences of their Proceedings. The Importance of the Case seems to require that every body should contribute what they can to set this Matter in a true Light, and Examine, without

without Prejudice, how much the *Interest* of our Country, its *Reputation* and *Honour*, its *future* Good or Evil may be affected by it. This I can assure you, that as I am not concerned in any of the Funds, and *Interest* cannot mislead me in Prejudice to this Project; so the rack-four Shillings in the Pound which I pay to the Land-Tax, is a Motive which would make me *favour* it, if I were not very apprehensive of its fatal Consequences. I cannot but think that *Conscience* is concerned, and *natural Honesty*, and *Publick Justice*, and the *Credit* of the Nation: Every thing that is *sacred* and *inviolable* in *Property*, is nearly affected; All *Obligations* will be in a way of being cancell'd, and in a Word, an indelible Character of *Injustice* cast upon us. I may be mistaken perhaps in my Notions, or mis-informed of the nature of your Project; However I will endeavour to state the Case as fairly as I can, and shew the *Unreasonableness* of *Taxing* or *Lowering the Interest of the Funds*. The Case is This.

The Legislative, *i. e.* King, Lords, and Commons in Parliament assembled, has Occasion for, and *borrow*s great Sums of Money of the Subject for the Common Service; and *oblige* Themselves to repay the Money borrowed in such a Term of Years, or sooner if they could, and give a *Parliamentary Security* to repay it; and as an *Encouragement*

ragement to the Lender, they engage to pay a certain *specified Interest*, and enact that the Sums so lent should *not* be *liable* to any *Taxation*. Your Project is, to *Lower their Interests*, or which is the same thing, to *Tax these Funds*, in order to raise the Money for, or lessen the Debts of the Nation.

Against this Project, however acceptable perhaps it may be to some, give me leave to propose my Objections, which proceed from neither Interest, nor Favour, nor any other View than the Good of my Country, and a sincere Desire that its *Credit* may remain unsullied to the latest Posterity. And

1st, To support and maintain a *Mans Private Credit*, 'tis absolutely necessary that the World have a *fixt* Opinion of the *Honesty* and *Integrity*, as well as Ability of a Person. If there be good Reason to Object against the One or the Other of These, his *Credit* sinks, no one chooses to *deal* with him, nor does any one care to *trust* him. This is so Universal a Rule, such a First Principle, that no Man ever call'd it in Question, or disputed its Truth; Nay, so uncontested in Practice, that neither *Art*, nor Superior Genius, has been ever able long to support *Credit*, when *upright open* Dealing, or *Performance* of Promises, of Covenants or Contracts, has been wanting. Indeed *Credit* is the natural Result of being persuaded of the
Obligation

Obligation of that Law of Nature, *Be Faithful to Contracts*; and therefore when once a Person is supposed to have laid aside that Principle, or by any *avowed* Acts declares that He thinks himself free from that Bond, 'tis impossible in the Nature of Things to place any *Confidence* in Him; every body is forced to be on his Guard; nor can they with *Assurance* transact any Business of Moment with him. *Uprightness* and *Honesty* are the Bands of humane Society; and *Credit* is not to be purchas'd, nor acquir'd, till by a continued Series of *fair* and *open* Actions the World is satisfied of our *Sincerity*, and *Integrity*.

As These then are the Basis of *Credit*, every Attempt to blast it, be it upon just or unjust Grounds, has this fatal Effect, that it raises *Jealousies* and *Surmises* in Peoples Minds, and in consequence lessens their Opinions of a Man; so much at least it lessens their Opinions, as Evil Rumors prevail upon them. Scarce ever was there an Evil Report spread abroad, but it gain'd over some credulous Persons, 'twas industriously propagated by a Mans Enemies, it met with Encouragement amongst some; and so far it *impaired* the *Credit* 'twas designed to lessen. And was it ever found an easy matter to *regain* the Reputation of *Honesty* and *Upright Dealing*, when these have been industriously

striously struck at? Was it ever found, but that the Person (whom I suppose even unjustly treated) *lost* a vast deal of his *Credit*, and continued *injured*, notwithstanding all the Care that could be taken to recover his Good Name?

And indeed a *Readiness* and *Willingness* to perform ones Engagements is such a *Fundamental* of *Credit*, that all the Affluence of Money, and the most immense Riches are of no Consequence, if there be Ground for the *least* Suspicion of *Disingenuity*. The *Ability* of a Person without *Natural Justice*, rather makes Men *cautious* than *forward* to deal with him. And the Reason of it is plain, because by his *Power* he is able to keep a Creditor out of his Right longer, and to put him to infinite more Trouble and Inconvenience than otherwise 'twould be possible to do. *Honour* therefore and *Uprightness* must attend upon Riches and Ability, or else the meanest Honest Person shall have, a better *Credit* and a more settled good repute, than the Richest *Crassus* with all his Money.

This *true*, This *only* Foundation of *Credit* takes in all Cases, and all Persons, *Publick* as well as *Private*; *National* as well as *Personal*. Just and Honourable Practices, Fair and Open Dealings, a strict Performance of Contracts, a steady Observance of Engagements

ments will necessarily gain Credit every where ; and Common Experience teaches us that a *Breach* in These as necessarily destroys it.

If therefore the Legislative of Any Country should decline standing to its Contracts, or endeavour to impose other Conditions than what at first were stipulated, I ask, wou'd not such a Conduct as necessarily impair the *Publick Credit*, as it wou'd the *Credit* of a *Private Person* ? Has it not the same Tendency to make the Lenders *Jealous* of their *Securities* ? Would it not affect the *Honour* of the Nation ? Or how is it consistent with *express* Engagements ? If not, 'tis very natural to ask again, who will venture to *lend* the Publick a second Time, if once They find themselves not treated *according* to their *Contracts* ? May there never be Emergencies, which may again oblige the Pulick to borrow Money ! And if such Cases should happen; upon what Foundation must They proceed, if an Instance can be produced, an Act of the Legislature, which can never be forgot nor ever can be repaired, to shew that *Legal Security* is not a *Security*, and that *Engagements* with such Powers are not to be understood *litterally*. What is the natural Consequence of This, but that no Man will *lend* the Government for the future, but at *such Interest*, and such Advancements, as are full *Equivalents* to the
Hazards

Hazards which People may run in Lending? Certain it is that no Man borrows Money for *Pleasure*, but for *Want* : Nor would any Man pay Interest for Money, did not his *Necessities* oblige him to supply his own Deficiencies from the Abundance of Others. So great therefore as a Man's *Necessities* are, so much will he necessarily give to have them supplied. But be his *Necessities* ever so pressing, yet no Man in his Senses will *lend*, without some Prospect of *Payment* ; He will not part with what his Industry and Labour has acquired, or his Ancestors have left him, to one who has forfeited his *Reputation* for *Honesty*, and whom he knows to be *out of his Reach* to compel him to repay, or if he may be *compell'd*, yet the Lender is *assured* there will not be a Competency to satisfy His Demands. If a single Person therefore, or a Government, (for 'tis much at one) be under such Circumstances as to be forc'd to *borrow* Money, They will endeavour, no doubt, to get it as *Cheap*, i. e. at as *low an Interest* as They can. The first Question then which the *Lender* proposes to himself is, *shall I ever be repaid ?* and *what Security shall I have ?* If the Borrowers *Credit* be *unspotted*, half the Difficulty is presently removed ; and their remains only the Adjustment of Security ; a thing neither long in Agitation, nor doth any Difficulties

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occur, which *untainted Credit* doth not instantly remove. But if the stop be at the *Credit* of the Person, who is known to have *broke thro' former Engagements*, and to have *voided Former Contracts* by any *Arts* inconsistent with the *strictest Honour*, what *Contests* must be struggled with, what *Depths* must be waded through, to gain the Point? If Money *can* be procured at all, at what Rates must it be? For 'tis allowed on all hands, that common Justice requires a *reasonable Profit* to the Lender, and the Measure of That is in proportion to the *Danger* he ventures. Interest therefore will necessarily run high, where there is a *Deficiency of Security* in the Borrower: If the *Deficiency* lye on the Part of *Honour*, nothing can be an Equivalent to it: But then if it be on the Part of *Ability*, and the Person is a known *inviolable* Observer of *Honesty* and keeps his *Integrity* clear, This will make amends in some degree for the Other, and procure him what he wants.

But because *Facts* are inflexible Things, and will speak with Authority, I ask, what was the Reason that *Navy Bills* some Years ago were at such prodigious Discount? What was the Reason the *Nations Credit* run so low, that a Man might purchase a Hundred Pounds for Threescore or Threescore and Ten? Why, there was plainly a
Deficiency

Deficiency of the Funds ; and the People not having any *further Security* that those *Deficiencies* shou'd be made *good*, they bought and sold the Governments Bills, but at such a Price as they thought the Funds would repay them with some Advantage. They were *sure* of such or such Proportions of their Money, and according to that *Assurance*, the *Credit* of the Government was, higher or lower. Again, What is it then that has *rais'd* the *Credit* of the Governmen since, and has brought it to such a Pitch, that even Exchequer Bills, which bear so small an Interest, are now not to be bought under such Premiums ? This is as plain too. The People have had a *Parliamentary Security* that all *Deficiencies* shall be made *good*, and the Debts contracted shall be paid, and They have *yet* had no Reason in the least to question the *Integrity* of the Parliament, or their *strict Observance* of their Engagements.

If we suppose now your present Project to be receiv'd, and a Parliament should recede from that known and unshaken Resolution to their Pecuniary Engagements, must not our *Credit* sink again in Proportion to the *Fears* and *Jealousies* of the People ? For where is the Difference between a *Defect* in *Ability* to pay, and a *Defect* arising from not *standing to Agreements*, except that the latter in its own Nature more sensibly affects our *Credit* ?

Must it not *sink* again necessarily, when one of its chief Supports, nay the *very Foundation* of it is so visibly weakned? Credit cannot be maintained without the *strictest Performance* of Covenants: And yet if your Project should be entertained, the most *express* and *plainest Contracts* must be cancelled; and what must be of infinite Concern, a *Spirit of Jealousy* will be rais'd, that 'tis impossible can ever be laid. For no greater *Assurances* can be given to a People to secure their Loans, than what an Act of Parliament can give; and yet if These are broken thro', as 'twill be impossible to obliterate the Fact, so no *Assurance been* can be greater than This, *what has may be.*

Nor must you imagine, Sir, That the Consequences of such a Jealousy, founded upon sufficient Ground, can be confined to the narrow Compass of *Loans*, and to the particular Cases of the Governments *Borrowing*. The Government will be the Sufferer, wherever it deals, or into whatever Engagements it is obliged to enter. Who is there will supply our Fleets with Stores, or furnish our Magazines for our Armies, if, contrary to Contract, their Stipulations may be broke thro'? And what *Assurance* can They have, that They shall not be treated in that manner? Must it be Personal or National? National will be
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too liable to Exception, if once a *Breach* is made in its *Credit* : And no Personal can be given, because it is supposed to depend on the Ratification of the Publick. So that in short, the Government is reduced to the unhappy Pass of Trading all with *Ready Money*, a thing impossible to be practised; or else of paying exorbitantly for what is wanted, because of our *broken Credit*. Is it not the usual method of dealing, and is it not necessary so to deal, that the Seller may not be the Loser by his Commodities ? And how can this be effected, but by proportioning the Price of his Goods, to the Time and Circumstances of his being paid ? If therefore he runs a hazard of having his Bargain *alter'd*, *after* he has parted with his Goods ; he must rate them accordingly, or run too great a risque of losing by his Trade; which can neither be expected nor desired. *Credit* therefore, i. e. An *Assurance* of having Money in such and such Quantities, and at such and such Times, must be preserv'd *inviolable*, or else the Merchant must be paid in *ready Money*, or lastly we must *pay for* our *want* of *Credit* just as the Vender pleases to rate us.

Judge now, Sir, What must be the Consequence of *breaking* into Parliamentary Securities, and of hurting *National Credit*. You mistake, if you bring into the Account, only

only the lessening some of our Debts ; or the raising some Money for present Emergencies. I grant you, This it will do : But then it doth it just as a Man pays his Debts, by *forcing* another to give him Money, or by *forcing* his Creditors to *abate* of their Contracts. It pays our Debts by bringing such a Mischief upon our selves as never can be remedied. If once our *Credit* suffers the least Diminution, be it by a groundless Suspicion if you please, You must not imagine that it can be *rais'd* again at Pleasure. The very Heart of *National Credit* is stabb'd, when Covenants are *broken* by a *Law*, and it must as necessarily grow faint and languid, till at last it bleeds to Death.

When a Private Person once has forfeited his Credit, He may with Zeal and the utmost Care endeavour to retrieve it ; but he must be Master of a great deal of good Conduct, and give a great many Proofs of more than ordinary Integrity, before he can wipe off the Stain, or remove the Ground of Jealousie and Suspicion. *National Credit* is only to be recovered the same Way. But what then must be the *intermediate* State ? I put the present Case only to shew you, that we shall not ease *Our selves*, as may be imagin'd, by your Project, though 'tis suppos'd that Posterity would be ready to
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trust the Government again, and deal with it fairly without the least Mistrust. What I say must be the *intermediate* State, before the Government can *retrieve* its *Credit*, and the People gain an *entire Confidence* in it? Will the Purfes, and the Hearts of the People be open? Will they be ready to bring in their Money upon any Emergencies? Will they subscribe two or three Millions again in two or three Hours, as they used to do? Can it be expected that the present Generation will part as *freely* with their Money as if the *National Credit* had been kept inviolable? No. This would be to expect something contrary to Humane Nature; and consequently if any Difficulties should arise, (as the Enemies of the Government have not shewn themselves unactive hitherto,) We our selves must be infinite Sufferers for want of that *credit* which your Project must affect. Either therefore we must be *insured* against future straits which may happen in our Times, or the most daring Projector ought to be apprehensive of Danger in striking at the Vitals of That which *never can* be cured *entirely*, and *may immediately* prove Mortal.

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The Sum of what hath been said upon this Argument is This; *Publick Credit*, like *Private*, is *entirely* founded upon *Integrity*, and *strict Performance* of Contracts. If once *Covenants* are broke thro' by any Person, it necessarily alarms every body, and makes the Parties concern'd *Jealous*, and upon their *Guard*, very *suspicious* of every Motion, and very apt to *misinterpret*, and to put the *worst* Sense upon every Action. They never can think themselves *secure*, and therefore will never *deal* but with Advantages equal to what they think their Hazards are. If a Nation once forfeits its *Credit*, it not only feels the *present* ill Effects, but *latest* Posterity will have a just Sense of such Proceedings; and will never venture with that *Assurance* and *Confidence* their Money into the Publick, as if it had literally performed its Engagements: And the Consequence of this is, *ill Will*, *evil Surmises*, *jealousies*, *Distrust* between the Government and the Subject, *Delays* in raising Money, *losing Opportunities* of Advantage, *encouraging Enemies*; in a Word, *sinking Publick Credit*, is big with all the Misfortunes that can attend an unhappy Nation. And does not yuor Project I am considering immediately affect the *National Credit*? Is it not, that the Legislative should *alter* their Contracts? That the *Stipulations* which have been made for a great many Years past should be *broke thro'*; and the *Conditions*, upon which so many

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ny Millions have been borrowed *changed*? If *Publick Credit* can withstand such a Shock, it must be founded on something very different from what hitherto has been conceiv'd or known. A

2d *Objection* against your Project is, That it is not calculated to *pay* the Debts, but to *sink* them; 'tis not designed to *discharge* them *fairly* and *honourably*, but in effect to declare that Engagements between the Legislative and the Subject are not inviolable. What a Source of endless Mischiefs is This? and what would be the Difference between the most *Arbitrary* Monarchys and our Constitution, if no regard were to be had to the plainest Statutes? If a Law can be made, and all Assurances possible given to the Subject to *secure* them in what they shall *Lend* the Government, and these over and over repeated, and constant fresh Assurances given to *make good* Deficiencies, and yet at last these Bonds be broke through and the Conditions changed, would not these be Instances of *Arbitrariness*? And must we not at last fall into what we have paid so many Millions to avoid, and shed so much Blood to prevent, if we pursue the Steps which your Project would lead us to? To what end are Laws, if they give a Man no *Security*? and what *Security* are They, if they are made *pliable*, and *bend* to Purposes directly contrary to their Original meaning? Much less

are they *Securities*, if *Contracts* are made *Laws* and yet may be *Dispensed* with.

The great end of Government is the *Preservation* of Property; and therefore neither Prince nor Senate can have Authority to *take* to themselves the whole or any Part of it *arbitrarily*, and at *Pleasure*. This is so clear a Truth, and its contrary so full of Miseries, that I do not wonder we struggled so hard against the Power of *France*, and refused no Expences, to ward off *absolute arbitrary* Government. Is it then a *small* Approach to *Arbitrariness*, to annul Laws which were given upon Loans as a *security* to the Lender? Did not the Legislative *engage* to repay the Summs Borrowed, and in the mean while to *pay* them *such* and *such* *Interest*? Was not *This* the Reason that so much Money was so *readily* advanced? Did not the Lenders *believe* they would, and did not the Borrowers *intend* to act openly and *pay* what was *engaged* for? Could then the most *arbitrary* Government act a stranger Part, than to break thro' all this, as you propose; and when there seems no more Occasion for Borrowing, *refuse* compliance with the Conditions of *their own* Proposals.

The *Credit* of the Nation was *engaged* to pay annually *such* or *such* Summs: The Nation reaped the Benefit of the Principal every Year; and Glory, and Honour, and Liberty and Safety, and every thing that was valuable and dear to

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Englishmen flowed in upon us. This was wholly owing to the forwardness of Money'd Men, who were truly sensible of the fatal effects of *Arbitrary* Government. It would look too like forgetting the Benefits we received, if as soon as we are out of Danger from abroad, almost the *First* Step taken to lessen our Debts, should be to *break thro'* the *Engagements* we were under to the very Persons who contributed most to our Safety. If any Man upon a pinch should Borrow upon Bond, and should rate his Interest according to his Necessities, the better to induce his Neighbour to Lend him what he wanted; should he afterwards find himself *Powerful* enough, ought he in *common Justice* to resolve against paying his Bonds? Ought he in *Honour* to pay no more than what he himself thought fit? Or could he, consistent with *Honesty*, refuse the Conditions which He himself had made? Would it not be looked upon as most *arbitrary* Proceeding in such a Man, to trample upon his Covenants? Or if he ever wanted again, could he expect to Command Money as if he had strictly perform'd his Contracts? No. *Credit* once lost is not to be retrieved again, unless the very *cause* of its sinking be perfectly removed; and *Arbitrariness* is such a mortal Enemy to *Credit*, that 'tis impossible they should Both Thrive in the same Country.

There was, I remember, some Six or Seven Years ago, a very remarkable Coldness in the Nation to *Parliamentary Securities*. Some there were who took all Opportunities to express their Dislike of them; and express'd Apprehensions that One Parliament might vacate what another established. I then pleaded, that nothing but a Subversion of the Government, and an entire Destruction of our Constitution, could ruine the Credit of our Funds; and whenever that should happen, in the common Confusion, *Private Securities* would be no better than *Publick*: I us'd to plead that common Benefits to all would call for common Gratitude from all: That National Justice was as necessary to our Constitution as 'twas to private Persons: That if the Legislature had any Sense of Right and Wrong, they could not but take Care of the Publick Debts, and punctually perform their Obligations: That if they attempted to *Sponge* out the Debts, they must be guilty of such a flagrant piece of Injustice, that they themselves must repent of: That such Proceeding would be a *National Disgrace*, and such a black Reproach that we could never wash off. These Arguments Then weigh'd with me, and do so much still, that I am not willing to believe it can enter into any Bodies Mind
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knowingly to Sacrifice our *Publick Credit*, or at all to weaken the National Securities. And yet is not your Project a plain *Sponge* to *wipe* out some of our Debts and not to *pay* them? Doth it not *wipe* away 2 *per Cent.* Interest, which is as much engaged for as the Principal it self? And may not the same Contrivance next time *clear* off 5 *per Cent.* and thus still lessen our Debts? Nay, 'twill more effectually *clear* all our Incumbrances, if the Principal and Interest too be struck away at once. 'Tis but the same *Act of Power* exerted a little farther to make clear Work. For when once it can enter into the Heart of any Man to break through Contracts, and to annull Engagements, I do not see but the same Motives may carry a Man *in infinitum*, and the same Power extend it self as long as it has Objects to work on. When once the plain beaten Track is forsaken, and *resolvedly* deserted, Men may wander uncontrouled till they are lost. The narrow Path of *Right* is uniform and strait, and when once 'tis determined to *quit* That, the same Motives will equally justify any thing. Truth and Honesty, guided by Prudence, never did, nor ever can do any Disservice to Publick or to Private Measures: Arts and Shuffling often have, and ever will. These may keep up the *Shadow* of *Credit* for some Time; but Those are the only *lasting* Foundations of *Credit*, which
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always did, and always will support it, and can and are ready to stand the Test of Men or Angels.

'Tis not many Years ago since our National *Credit* met with a violent Shock, and sunk very low, because 'twas apprehended that the Measures Then engaged in must necessarily terminate in the *Pretender*, and in *Arbitrary* Power. What was but Gueffing then, and arguing from highly Probables, has since been too demonstratively prov'd true. But how did those Measures affect our Credit? And why did it sink at that Rate which it did? 'Tis plain: If the Pretender had succeeded, the *Funds* would have been *Sponged* out: Those *Laws* which have been Enacted to *secure* the Subject, had been *repealed*; and consequently no Man could have laid Claim to his Debt, or had any Title for his Demands. In proportion therefore to the *Jealousies* of People, and their *Suspensions* of the *Integrity* of their future Paymasters, our *Credit* sunk: And so it always will do, if there be Occasion given for ill Surmises. And is there not *just* Occasion given, when we hear of Projects to *alter* or *change* the *Conditions* of those very *Laws* which were to *secure* the Funds? 'Twou'd be a Step, which I cannot but think *too like* what we were apprehensive of from *Arbitrary* Power; and there seems no other material Difference betwixt them, except that This, if it were

were to succeed according to your Wishes, wou'd be done by the *Gown*, That would have been executed by the *Sword*. A

3^d *Objection* against your Project, or Argument shewing the *Unreasonableness of Lowering the Interest of or Taxing the Funds*, is taken from the Consideration of the Nature of our Constitution, and Circumstances, as a *Free People*. We enjoy that *Liberty* which our Neighbours envy, and have this Advantage, that our *Properties* are Sacred, not to be touched but by our own Consent; and one Common Law is made for Sovereign and Subject. The Law is the Standard of all our Actions; nor are we subject to an *arbitrary unlimited Will*, which renders us incapable of knowing our Duty; nor are we apprehensive of *extempore Decrees*, which always make *Property* very *precarious* and *doubtful*. Great and Glorious Privileges These! such as render us the Wonder of *Europe*, and make all Nations pronounce us Blessed! Oh! that *WE* knew how to *value* these Blessings, and to *BELIEVE* our selves that Happy People which all the World besides *KNOWS* us to be!

From this particular Frame of our Constitution 'tis easy to see in what *Reputation* We must be in all *Europe*. The Riches of These Parts of the World are no where so *secure* as Here. No Man can *enjoy* his own, or be *known* to have the Possessions which his Industry has acquired,
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to *safely* as *Here*. In *England* They are *sure* of commanding the Fruits of their Labours; They may Employ them to such Purposes, and in such Measures, and prosecute such Designs as They themselves think fit. Such Privileges as These in necessary Consequence must draw hither the Riches of *Europe*, if we take but the common Care of *preserving our Credit*. Keep but That *unspotted*, and *England* must be the Center of Trade, the Mart of the World, the common Treasury of Merchants, and therefore the Riches of *Europe* must be repositied *Here*. If on the other hand we begin to *violate* our *Engagements*, i. e. to remove the Land-mark of *Honesty*, our *Credit* must *sink*; and what before made *Us* the Place of Refuge, being lost, we must find its fatal Effects in Scarcity of Money.

Let our *Credit* therefore be preserved *untouched*, and every thing which tends to its Diminution be rejected, and with how much Ease may this Flood be improved to the Payment of the Debts of the Nation? By a dextrous Management of an *unspotted Credit*, how Easy is it to make it *par* to ready Money? But to put this into a clearer Light.

Money has This in common with all Commodities, that its *Value* is always in Proportion to its *Quantity* or *Scarceness* in a Land. Where there are more Buyers than Sellers, the Markets will always run high: On the other hand
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where there is a greater Quantity of Commodities than there is of People to purchase, Things are cheap. But Money being usually considered as the Standard of the Value of all other things, and what will readily purchase all other things, and all the World at all times desiring to be Masters of it, the *Quantity* of it alone determines its natural worth, and makes it *cheap* or *dear*, *i. e.* to be borrowed at higher or lower Interest. If there be much *more* Money in a Nation than is employed in Trade, it necessarily follows that Interest must be *low*, because there will be so many Lenders, who can't tell how to improve their Money by any other Methods. If again the Demands of Trade are such, by reason of an Overballance in other Countries, or on any particular Occasion, as to draw away Money out of a Land, it follows necessarily, that Money must bear a very high Interest, because there will be but *few* Lenders and many Borrowers. I do not concern myself with the nature of Money farther than this, nor with Laws which are or may be made for lowering Interest; nor will I enquire what real Service or Disservice such Laws are to the Publick. 'Tis enough for my Purpose to have shewn that *Plenty* of Money only makes it *cheap*, *i. e.* easy to be borrowed, and at a low Interest, if the *Credit* of the Borrower be untainted.

Consider then the *Situation of England*, its *Commerce*, its *Laws* and *Liberties*, its *Credit* hitherto *unspotted*, and what the Consequences of These must be. The Money of all Nations is flowing in upon us, and Those who live under Despotick *Arbitrary* Government, can no where so well *secure* their own as Here. In *England* 'tis safe, and may be commanded as their Occasions require; and besides This, our Commerce is so improved by the Wisdom, Care, and Conduct of his Present MAJESTY, and The Treaties which cramp'd it, altered; and all its Obstacles removed; that in a few Years Time *England* (if it retains its *Credit*) must be the *Richest* Spot in *Europe*, and may command the most Money. As Money will be in consequence *Easy* to be borrowed, and at a *low* Interest, the Funds *redeemable* by Parliament may be with Ease paid off; the literal Engagements may inviolably be observed, the Laws be literally kept, every body fully satisfied and contented, and what is of the most Value in the World, the *Credit* of the Government handed down *unspotted* to Posterity.

I need not observe to You, in Confirmation of what I have here asserted, the *Premium's* for some Time past given for *Exchequer* Bills, nor the Summs of Money borrowed this Winter in Town at 4 *per Cent*. These and other Instances are sensible Demonstrations of what I have

have said; and are, let me add, as evident Proofs of the *absolute Necessity* of preserving *Credit* sacred. Nor need I mention the Method which *John de Witt* took in *Holland* to lessen their Publick Debts. The *Lender* must be the Judge, and not the Borrower the *arbitrary Imposer* of his own Terms. If the *Lender* be left at his Liberty to receive his Money, or to let it lye at lower Interest; (in Cases where Funds are *redeemable*;) no Cause can be given of Complaint, No Injury is done, No Hardship is offered, the *Integrity* and *Honesty* of the Borrower is evident, and *Credit* is indisputable. But if the Borrower be his *own Judge*, and his *own Carver*, and flies to an Act of Power because he *can* do it, it as necessarily *sinks* his *Credit*, as it takes away its Foundation. How much your present *Project* affects all this, and takes away the very Foundation of our Abundance, I leave to your impartial Consideration. A

4th Consideration is taken from the *Nature* of those Laws which have been made to *secure* the Persons, who so much to their Honour advanced their Money for the *Service* of their *Country*. No Man that knows the nature of our Constitution can doubt of the Power and Right of Parliaments to *make* and to *repeal* Laws. Yet, I think, it cannot be proved that the Legislative of our own or any Country in the World, can extend its Power *absolutely* and

arbitrarily to the *Lives* and *Fortunes* of their Subjects, without contradicting the *End* and *Design* of Society. *Justice* therefore and *Equity* and *Reason* bounds their Power, and not *Advantage* or *Interest* as has been inculcated too much by too too many. 'Tis true that the *Interest* of the *Society* is the great End of all Laws: But then That *Interest* is not to be prosecuted by Injustice, by Fraud, or any Evil Arts. He that breaks thro' the Boundary of *Justice* to serve his present Turn, cuts down the Fence of his own Peace and Quiet for ever after.

The Legislature no doubt has a Power to cancel Laws, such as are inconsistent with the Peace and Safety and Good of the Publick: But yet this Power will not, I am apt to believe, authorize them, to cancel *Bonds* and *Covenants* which They Themselves have engaged in. When the *Emperor* some Years ago mortgaged *Silesia* to us for so much Money, 'twou'd have been inconsistent with the Laws of Nations, or with *Common Justice*, afterwards to have *sunk* the *Interest* he *agreed* for, and to have paid but what he thought fit. If it be *Injustice*, when One Nation borrows of Another, to force the *Lender* to accept what Terms the *Borrower* thinks fit to impose after the Loan is received: It seems very like the same Crime, if a Nation borrows of its *own Subjects*, and enters into Articles for their Payment,

ment, and yet afterwards *refuses* to comply with *their own* Terms. To do as one would be done by, is so evidently a first Principle both of Natural Reason, and of Christianity, that every body who has any Sense of Humanity acknowledges its Obligation, however his Practice may vary from it. If That then be receiv'd as a Standard Rule, *equal* and *just*; I ask, if the Emperor contracted for *Eight per Cent.* Interest, and afterwards would have paid but *Four* or *Three* or any other Summ, or None at all, should We our selves have thought This Proceeding *just*? Could not His Imperial Majesty have urged in his Defence, the *Debts* he was involved in? The urgent *Necessities* of the *Empire* when he borrowed, which obliged him to offer such large Terms? The Weight of the War, &c. And should we have thought these Reasons of sufficient Weight to *justify* the *Breach* of his Bargain? But say, that notwithstanding This, We had been *obliged* to have *taken* the *Interest* which He thought fit to *give* us: I ask again, Would we have *trusted* Him again, whatever Occasions he might have had? Would the Promise of *Eight* or *Ten per Cent.* or *any* Consideration have invited us to repose our Money in his Hands, who once before had *broke* through all *Engagements* with us? I scarce think that
any

any Inducements would have prevail'd; his *Credit* would have been *lost*; The *Integrity* and *Honesty* upon which we ventured to *Lend*, would have been plainly Sacrificed; and consequently as He would not have been able to ask with any Conscience, We should have been ready to have refus'd him, nay, should have been apt to censure the Discretion of any body else that would Venture their Money upon such an *unsafe Bottom*.

The Reason why I think there is a mighty Difference between Those Laws which have expressly engaged for such or such Interests, and have *exempted* the Funds from being chargeable with any *Rates, Taxes, or Duties whatsoever*, and Other Laws or Acts of Parliament, is This. The former are plain *Contracts* made between the *Legislature*, and *such of the Subjects* as will accept the Terms specified, and advance the Money wanted. The Legislature here becomes a *Party* to the Covenant, and according to the Fiduciary Power reposed in Them by the Nation, they oblige the Nation in such and such Terms to those particular Persons They Treat with. If the Loan of 200,000 *l.* upon which the Bank was at first established, had been Borrowed by our Legislature, of so many Subjects of *France* or *Spain*, as it was of our *own* Subjects, no Doubt had ever been

been rais'd about the *Obligation* to *keep* to the Terms *agreed* on. Wherein then is the Difference? None certainly. For the Legislature *lays aside* its Superiority, or at least is *considered* as laying it aside, and makes it self upon a Level with those of whom it Borrows; and makes no Distinction between Natives or Foreigners, or any such meer accident. In other Cases the Legislature makes its Laws extend to every Part or Member of the Society, it prescribes Rules for all their Actions, and is considered justly as *Supreme*. In This Case, 'tis not but by Accident, *Supreme* over the Persons whose Money it Borrows: For when the Emperour Borrowed Money of us, he had no sort of *Supremacy* over us. The *Supremacy* therefore of the Legislature has no Relation to, or concern with these *Laws* or *Contracts*, farther than as They had Power to enter into such *Engagements*, and actually did do it. They become *Debtors*, and are to be consider'd as such: And it scarce can be reconciled to any just Conduct of *Debtors*, to make a Law to enable themselves to dissolve their Obligations, and by this means *injure* their respective *Creditors*. Should the Parliament of *Paris*, or the States of *Holland*, or any Legislative Power enact a Law that all the Private Debts which every particular Member of the
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Legislative owed, should be *void*, and himself free from all Obligations to his Creditors; every body would have a just Abhorrence of such a manifest Breach of Justice. Or should They agree to Sink not All, but a Part of their Just Debts, it would be still a *Breach of Justice*, though not so flagrant, or not so much complain'd against. Now all the Particular Members making up but ONE Legislature, if *That* enters into Covenants and Borrows with other People, the Debt contracted is as much the Debt of that Body, as the Private Debts of any particular Member are his own. And it seems the same *Injustice*, to void the Obligations of the One or the Other without Performance of the Covenants Stipulated.

Upon These Reasons it is that I think it *Unreasonable* to *Tax* the Funds, or to *lower* their Interest by a Law. And here I had concluded, but that I thought it not improper to observe in a few Words, what has been urg'd at Times to my self in behalf of your Project.

First. The *Land* has been already *Tax'd* and *Tax'd*, and the Burden of the War has lain upon That so long, that every Landlord has paid above the Price of his Land in Taxes. And

Secondly. The *Moneyed* Men have *rais'd* such *immense* Estates from the *Funds*, without
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contributing any thing to the Burden; that it is highly reasonable they should at length be made *Sharers* in the common Load. And

Thirdly, 'Twill be making some *Amends* to the *Landed Men* to lower the Interest of Money, and of the *Funds* in particular, because this will *raise* the Value of Land, and by this Means in some Measure *reimburse* those who have paid so much to the War.

The *First* and *Second* of these Objections, I'll consider together. I grant then that the Land has been taxed, and has bore a very heavy Burden during this whole War. But then I add

That the laying the Tax upon *Land* has been *cheaper* to the Landlord, than if it had been laid upon *Commodities*. Let us suppose now the Land free from Taxes, and the Supplies entirely to be laid upon *Commodities*. These are either *Foreign* or *Domestick*. The Merchant that imports the *Foreign* Goods will *never* pay the Tax, but in Course will *raise* their Price so high as to make his Profits, or else he won't import at all. As these therefore *rise* by being Tax'd, *Domestick* ones *fall* as necessarily to the *First Seller*, and consequently make the Tenant if he sits at a Rack-Rent absolutely incapable of paying his Landlord. The Farmer pays the Malt-Tax, and not the Malster, who makes his Advantage doubly, by beating down the

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Price

Price of Barley in its *first Sale*, under Pre-
 tence of the Tax upon Malt, and pleads the
 same again to the Buyer to Sell it so much
 the dearer. The Land-Tax now goes out
 of the Landlord's Pocket, and he feels its
 Weight very heavy. He throws it there-
 fore upon the Tenants, for the Taxes must
 be rais'd. *Domestick Commodities sink* be-
 cause of the Tax, *Foreign* ones necessarily
rise. The Tenant therefore that sits at near
 or full Rent; is utterly incapacitated to pay
 his Rent, the Landlord therefore must sink
 his Rents, and consequently pay the very
 Tax he strives to avoid, by having at the
 Years end less Money in his Pocket, than if
 he had paid a Land-Tax. Let me add to
 this, that if the Day-Labourer and poorer
 People do but *barely* live now the Tax is up-
 on Land, they must be maintained by the
 Parish if all *Commodities* were dearer, (as they
 must be to pay the Taxes, to all but the
 first Seller,) or else must raise the Price of
 their Labour. Either of which Inconveni-
 ences, or both of them, very much concerning
 the Tenant, must fall at last upon the Land-
 lord by forcing him to an Abatement of his
 Rents. Which whether you prefer to a Land-
 Tax, I leave you to judge.

But however cheap at the long run it may
 be, yet still 'tis *heavy* upon the Land, and
 the Monied Men pay nothing, nay, they
 get

get Estates, whilst the Landed Men are beggered.

I grant the Landed Men are heavy loaded with the Taxes. But then *1st*, the Honour of the Nation is at Stake, not to Tax the Monied Men for what they had lent the Nation. *Common Justice* is due to Them as well as to the Land; and if to Tax them you must *break thro' your Laws, sacrifice Covenants and Contracts*, and *murder the Credit* of the Nation, I do not see how it can be done without much greater Detriment, than we can propose Advantage. *2^{dly}*, The Objection would be allowed, if the Government had *paid* them what they have *lent* to it, *i. e.* if Men made Interest from their Money otherwise, and yet contributed nothing towards the common Charge. But upon this Supposition, the Objection would be nothing; it being already lawful to tax Bonds or Securities. *3^{dly}*, You may complain that the Traders *get Estates*, and that others are impoverished; yet, depend upon it, the Trader will be the last, do what you will, that will feel Poverty. As long as Commodities must be had, he'll always take Care to *secure* himself, and by such *Prices* as will make others pay his Taxes; and this, tho' somewhat more remotely, comes to the Landlord at last. But I have said so much already to obviate this Objection, that I shall immediately proceed to the

Last Objection. 'Twill be making some *Amends* to the Landed Men to *lower the Interest* of Money, and of the *Funds* in particular, because this will *raise* the Value of Land, and in some Measure *reimburse* those who have most contributed to the War.

This I think the common Objection, and it meets with general Reception; and yet I think it full of very great Mistakes, and such as the Landed Gentlemen will find to be so in the Consequence. For 1st. The *lowering* the Interest of Money will *not raise* the Value of Land. For this I appeal to plain Experience, Land having Sold for above Twenty Years Purchase all the last Century, when Money has been 10 *per Cent.* and 8 *per Cent.* and 6 *per Cent.* And I ask if they have found that the Price of Land has been *raised* for these last Three Years, that Money has been reduced to Five. 2^{dly}, To *lower* the Interest of Money, no more concerns *Land* in its *value*, than it does any *other* Commodity, which any Person shall think fit to deal in. Money of *it self* producing nothing, unless it be by way of *Interest*; if there was no other way of making an Encrease but by laying it out upon *Land*, the Consequence would be good: If they that had Money *must* lay it out that *single* way, it would make a *great many* Purchasers, and in Course the Commodity would be *rais'd*.
But

But let the Legal Interest run as you please, at 5, or 4, or 6 *per Cent.* yet if there be a *Scarcity* of Money, Men will always find ways to *give* and *take* according to that *Scarcity*, and their Occasions : And *That* will be the Standard in the *Market*, whatever the *Legal Standard* may be. When Money is *plentiful*, if the Legal Interest be 5 *per Cent.* yet you may hire for 4 ; and if it be very *scarce*, notwithstanding all the Provision you can make, you will not be able to procure it under 6 *per Cent.*

3dly, The true Reason of Land's selling very *dear*, *i. e.* for Four or Five and Twenty Years Purchase or more, is not very difficult, if we consider *where* it is that it will fetch that Price. 'Tis not the *Goodness* of the Land, nor the *low Interest* of Money, that makes Estates sell so *dear* in *Middlesex*, but what I intimated before, the *Number* of *Monied* Men who are ready always to buy. And as this is the only Reason, unless by Accident ; it may deserve the serious Consideration of those who would *raise* the Value of Land, how much they should *encourage* the *Monied* Interest. To *raise* the *Value* of Land, *unless* it be designed for *Sale*, is but raising an imaginary *Fabrick* : And if it be *with* Design to *sell*, then 'tis the *Interest* of the Landlords *not* to *tax* those Funds from which such *Numbers* are enabled to be *Purchasers*.

4thly, How must the Gentlemen
propose

propose to themselves to be *reimburs'd* by *raising the Value* of Land, unless they propose to *sell* it? The *lowering* Interest will not signify any thing towards *raising* their Rents; and That is the only way of *raising* the Value of Land to him that designs to continue *Possessor* of it. To declare therefore a Design of *reimbursing* themselves by *raising the Value* of Land, is to declare an *open Sale* in Effect, which, whether it will make a *greater Quantity* of Buyers, or a *Scarcity* of them; and in Consequence, whether Land will be *dearer* or *cheaper*; is easy from what has been said to determine.

But still tis asked why the *Funds* should bring in 6 or 7 *per Cent.* and Money as now 'tis settled by Law 5 *per Cent.* and Land will not bring in above 4 or 5 *per Cent.* at most, and yet *this* is Tax'd, and *Those* are thought *unreasonable* to be Taxed.

I answer 1st. The *Funds* are *settled* upon *Terms propos'd* by the Legislative, and agreed to by them, as I have more than once observed. 2^{dly}, Money in *common Justice* ought *always* to be somewhat *higher* than Land, because it can't be employed in such a *constant* manner as *always* to produce its Fruits, *viz.* Interest; whereas Land may be cultivated by Landlord as well as by the Tenant, and made to yeild such a Profit, as will recompence the Labour. In many Instances, the
Produce

Produce of Land is without any Labour at all: And 'tis no Detriment to the Proprietor, if he has no Tenant for one part of the Year, because the *whole* Produce of the Land coming at a particular Season, That Season is *all* the Tenant wants and pays for. However, this not being the general Case of Land, it is known that a *good Farm* never wants a Tenant. But Money yeilds not a *days* Interest more than it is Let for; and is repaid again as often as the Borrower's Turn is served, and lies *dead* till it can be disposed of again, which *may* happen, and actually *does*, much *longer*, and much *oftner*, than any Farms do. Upon which Account 500*l.* worth of Land, *i. e.* 25 *l.* per Annum, which pays the Tax, at Twenty Years End will put more Money into the Owner's Pocket, than 500 *l.* in Money *not Tax'd* will do. But this is not all. For 3*dly*, In *Land* the Proprietor can loose but his *Years Profit*, *i. e.* The *Interest* of the Year: The Land cannot be removed, nor can unseasonable Years, breaking of Tenants, or any other Accidents make it contain *fewer Acres*, or be worth much less than when it was Let. But in the Case of *Money*, you run the Chance of *Principal* as well as *Interest*; and therefore there ought to be some *Equivalent* to the *Hazard* you run. No one *Borrows* unless to *supply* his *Wants*: and the Money Lent is always dispers'd into
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the Hands of others, and in Course the Lender suffers in every thing with the Borrower, and is involved in all his Misfortunes; and this not only as to the *Interest*, but to the Prime Sum too. This can't be the Case of Landlords, who never can loose *above* the yearly Rent, and are provided for in numberless Cases prior to all other Creditors, and will be first paid, if the Goods in the House, or the Corn in the Barns, the Stock in the Grounds are sufficient. Hence it is that Money ought in *common Equity* to bear a *higher Value*, i. e. to produce a *greater* yearly Increase than Land.

Thus Sir, have I given you my Sentiments, upon a Subject I think of the *highest Importance* to the *British Nation*. It appears to me a Question, which ought to be weighed with great Accuracy, and thoroughly examined, before a Proposal be admitted to alter the Laws in Being. I do not pretend to have treated this Matter as it ought to be done. If I have given you Occasion to consider this Subject with that Care and Exactness, with that Judgment and Sagacity that you are Master of, 'twill answer the End of,

S I R,

March 7th
1717.

Your most humble Servant

